THUNDERBIRD 1 LEASING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

THUNDERBIRD 1 LEASING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS	PAGES

		Date appointed	Date resigned
DIRECTORS	: Ron Wainshal	13 October 2010	-
	Michael Inglese	13 October 2010	-
	David Walton	13 October 2010	29 August 2014
	Stephen Scali	27 August 2012	-
	Sameer Khalid Tegally	30 November 2012	-
	Alexander Alder Green	29 August 2014	-

ADMINISTRATOR AND COMPANY SECRETARY : Codan (Mauritius) Limited
Level 3, Tower I
Nexteracom Towers
Cybercity, Ebene
Mauritius

REGISTERED OFFICE : Level 3, Tower I
Nexteracom Towers
Cybercity, Ebene
Mauritius

AUDITORS : Ernst & Young
Level 9
NeXTeracom, Tower I
Cybercity
Ebene
Mauritius

BANKERS : Deutsche Bank (Mauritius) Limited
4th Floor, Barkly Wharf East
Le Caudan Waterfront
Port Louis
Mauritius

The directors present their commentary, together with the audited financial statements of 'Thunderbird 1 Leasing Limited' ('the Company'), for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the Company is interalia to provide aircraft leasing facilities.

RESULTS AND DIVIDEND

The Company's result for the year ended 31 December 2014 is on page 6.

The directors do not recommend the payment of any dividend for the year under review (2013 – nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001.

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITORS

The auditors, Ernst & Young, have indicated their willingness to continue in office and will be automatically reappointed at the next Annual Meeting.

By order of the Board

Codan (Mauritius) Limited
Company Secretary

Date:

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Thunderbird 1 Leasing Limited** under the Companies Act 2001 during the financial year ended 31 December 2014.

For Codan (Mauritius) Limited

Secretary

Date:

THUNDERBIRD 1 LEASING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 USD	2013 USD
Revenue	4	**9,248,058**	9,248,038
Depreciation	7	**(2,989,633)**	(2,997,752)
Other expenses		**(92,075)**	(72,734)
Operating profit		**6,166,350**	6,177,552
Finance costs	6	**(2,546,422)**	(2,580,825)
Profit before tax		**3,619,928**	3,596,727
Income tax expense	5	**(109,410)**	(88,822)
Profit / total comprehensive income for the year, net of tax		**3,510,518**	3,507,905

The notes on pages 10 to 34 form an integral part of these financial statements.

	Notes	2014 USD	2013 USD
ASSETS			
Non-current assets			
Property, plant and equipment	7	**76,456,359**	79,418,919
Current assets			
Other receivables	8	**2,248,077**	2,607,922
Prepayments		**12,615**	9,509
Cash at bank	9	**2,814,609**	2,668,983
		5,075,301	5,286,414
Total assets		**81,531,660**	84,705,333
EQUITY AND LIABILITIES			
Stated capital	10	**1**	1
Retained earnings		**12,976,644**	9,466,126
Total equity		**12,976,645**	9,466,127
Non-current liabilities			
Loan from related party	11	**9,517,970**	12,480,907
Interest bearing loans and borrowings	11	**45,696,754**	51,075,609
Other payables	12	**7,012,875**	5,630,330
Deferred tax liabilities	5	**382,600**	273,190
		62,610,199	69,460,036
Current liabilities			
Interest bearing loans and borrowings	11	**5,378,854**	5,179,863
Other payables	12	**565,962**	599,307
		5,944,816	5,779,170
Total liabilities		**68,555,015**	75,239,206
Total equity and liabilities		**81,531,660**	84,705,333

Approved by the Board of directors on .... and signed on its behalf by:

Director *Director*

The notes on pages 10 to 34 form an integral part of these financial statements.

	Stated capital	Retained earnings	Total
	USD	USD	USD
Balance at 1 January 2013	1	5,958,221	5,958,222
Profit / total comprehensive income for the year, net of tax	-	3,507,905	3,507,905
Balance at 31 December 2013	1	9,466,126	9,466,127
Balance at 1 January 2014	1	9,466,126	9,466,127
Profit / total comprehensive income for the year, net of tax	-	3,510,518	3,510,518
Balance at 31 December 2014	**1**	**12,976,644**	**12,976,645**

The notes on pages 10 to 34 form an integral part of these financial statements.

	Notes	2014 USD	2013 USD
Operating activities			
Profit before tax		**3,619,928**	3,596,727
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation		**2,989,633**	2,997,752
Finance costs		**2,546,422**	2,580,825
Adjustment to property, plant and equipment		**(27,073)**	636,003
Working capital adjustments:			
Decrease in other receivables and prepayments		**356,736**	51,579
Increase in other payables		**1,349,200**	1,401,593
Decrease in amount due to related parties		**(2,962,934)**	(3,418,500)
Net cash generated from operations		7,871,912	7,845,979
Financing activities			
Repayment of loans and borrowings		**(5,179,864)**	(4,988,231)
Interest paid		**(2,546,422)**	(2,580,825)
Net cash used in financing activities		(7,726,286)	(7,569,056)
Net increase in cash and cash equivalents		**145,626**	276,923
Cash and cash equivalents at beginning of year		**2,668,983**	2,392,060
Cash and cash equivalents at year end	9	2,814,609	2,668,983

1. GENERAL INFORMATION

Thunderbird 1 Leasing Limited (the "Company") was incorporated as a private company limited by shares in the Republic of Mauritius on 13th October 2010 and holds a Global Business License Category 1 (GBL 1) certificate under the Financial Services Act (FSA) 2007. The address of the registered office is Level 3, Tower 1. Nexteracom Towers, Cybercity, Ébène, Mauritius. The principal activity of the Company is to provide aircraft leasing facilities.

The Company has acquired its aircraft under a finance lease arrangement and has leased it under an operating lease agreement.

2. BASIS OF ACCOUNTING

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").
The financial statements have been prepared on a historical cost basis.
The financial statements are presented in United States Dollar ("USD") and all values are rounded to the nearest dollar, except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency translation

The financial statements are presented in USD (presentation currency) which is also the currency of the primary economic environment in which the Company operates (functional currency). The Company determines its own functional currency and items included in the financial statements of the Company are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting datc and are rccognised to the extent that it has become probable that futurc taxable profits will allow the deferred tax asset to be recovered.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

c) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current and non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Property, plant and equipment comprise of an Airbus aircraft. Such cost includes the cost of replacing part of the Property, Plant and Equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the aircraft asset, which is 25 years from the date of manufacture, to a residual value of 15% of the initial purchase cost.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The asset's residual value, useful life and method of depreciation are reviewed at least annually and adjusted prospectively, if appropriate.

e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Leases (continued)

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Lease income from operating leases is recognised in profit or loss on straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished and is included in revenue in the statement of profit or loss due to its operating nature.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include other receivables and cash at bank.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in finance costs for loans and in other operating expenses for receivables.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income, included in finance income, continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (Continued)

(i) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

h) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss consistent with the function of the impaired assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Related parties

Related parties are individuals and companies where the individual or company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

l) Security deposit

Security deposit consists of cash received from lessee that is held on deposit until lease expiration pursuant to the lease agreement. Changes in the security deposit are reflected within operating activities of the Company's statement of cash flows.

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

2. ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Revenue recognition (continued)

Rental income

Rental income receivable from operating leases, less the Company's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the lessee has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the lessee will exercise that option.

n) Expense recognition

All expenses are accounted for in profit or loss on an accrual basis.

o) Maintenance payments

Typically, under an operating lease, the lessee is responsible for performing all maintenance but might be required to make deposit payments to the Company for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component, and are required to be made monthly in arrears or at the end of the lease term. Whether to permit a lessee to make maintenance payments at the end of the lease term, rather than requiring such payments to be made monthly, depends on a variety of factors, including the creditworthiness of the lessee, the level of security deposit which may be provided by the lessee and market conditions at the time the Company enters into the lease. If a lessee is making monthly maintenance payments, the Company would typically be obligated to reimburse the lessee for costs it incurs for heavy maintenance, overhaul or replacement of certain high-value components to the extent of maintenance payments received in respect of the specific maintenance event, usually shortly following completion of the relevant work.

The Company records maintenance payments paid by the lessee as accrued maintenance payments liabilities in recognition of the Company's contractual commitment to refund such receipts. In these contracts, the Company does not recognize such maintenance payments as maintenance revenue during the lease. Reimbursements to the lessee upon the receipt of evidence of qualifying maintenance work are charged against the existing accrued maintenance payments liability. The Company defers maintenance revenue recognition of all maintenance reserve payments collected until the end of the lease, when the Company is able to determine the amount, if any, by which reserve payments received exceed costs to be incurred by the current lessee in performing scheduled maintenance.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2014:

Amendments and improvements	Effective for accounting period beginning on or after
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)	1 January 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
IFRIC 21 Levies	1 January 2014
Annual Improvements 2010-2012 Cycle	1 January 2014
Annual Improvements 2011-2013 Cycle	1 January 2014

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective 1 January 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment did not have an impact on the financial position or performance of the Company.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective 1 January 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;

2. ACCOUNTING POLICIES (CONTINUED)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (continued)

- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and

- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

This amendment did not have an impact on the financial position or performance of the Company as the Company is not an investment entity.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective 1 January 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

This amendment did not have an impact on the financial position or performance of the Company.

2. ACCOUNTING POLICIES (CONTINUED)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective 1 January 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Company did not enter into any hedge arrangement during the financial year and as such this Standard had no effect on the financial position and performance of the Company.

IFRIC 21 Levies - effective 1 January 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

This new interpretation had no effect on the financial position and performance of the Company.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are listed below. The Company intends to adopt those standards, if applicable, when they become effective.

	Effective for accounting period beginning on or after
NEW OR REVISED STANDARDS	
IRFS 9 Financial Instruments	01 January 2018
IRFS 14 Regulatory Deferral accounts	01 January 2016
IFRS 15 Revenue from Contracts with customers	01 January 2017
AMENDMENTS	
IAS 19 Defined benefits plan: Employee contributions, Amendments to IAS 19	01 July 2014
IFRS 10, IFRS 12, IAS 28 Investment Entities (Amendments)	01 January 2016
IFRS 11 Accounting for Acquisitions of interest in Joint Operations	01 January 2016
IAS 1 Disclosure Initiative – Amendments to IAS 1	01 January 2016
IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments)	01 January 2016
IAS 16 and IAS 41: Agriculture – Bearer plants – Amendments to IAS 16 and IAS 41	01 January 2016
IAS 27 – Equity Method in separate financial statements – Amendments to IAS 27	01 January 2016
Annual Improvements 2010-2012 Cycle	01 July 2014
Annual Improvements 2011-2013 Cycle	01 July 2014
Annual Improvements 2012-2014 Cycle	01 July 2016
IFRS 10 and IAS 28: Sale or Contribution of Assets between an investor and its associates or joint venture	01 January 2016

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements. No early adoption is intended by the Board of Directors.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

a) Determination of functional currency

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD. The Company's performance is evaluated in USD. Therefore management considers USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets. Certain equipment of the Company, such as aircraft, are separated into their significant parts and estimates of the useful lives and residual values thereof are made for the purpose of calculating depreciation. The estimates of useful lives and residual values carry a degree of uncertainty. The directors have used the relevant industries in which the Company operates in order to best determine the useful lives and residual values of property, plant and equipment.

Contractual maintenance expenses

Contractual maintenance expenses are provided for in accordance with the terms of maintenance agreements on aircraft on operating lease. The long term portion of the provision is not discounted to its present value due to uncertainties with respect to the final maintenance costs to be incurred when compared to the estimated rate applied

4. REVENUE

	2014	2013
	USD	USD
Rental income (excluding lease incentive)	**9,276,538**	9,276,538
Lease incentive	**(28,480)**	(28,500)
Rental income	**9,248,058**	9,248,038

5. TAXATION

The Company is chargeable to income tax at 15% under the provision of the Income Tax Act. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritian tax on its foreign source income. Thus, the effective tax rate is reduced to 3%.

The major components of income tax expense for the year ended 31 December 2014 are:

	2014	2013
	USD	USD
Current income tax		
Current income tax charge	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	**109,410**	88,822
Income tax expense reported in the statement of comprehensive income	**109,410**	88,822

Tax reconciliation:

A reconciliation of the income tax expense based on accounting profit and the actual income tax expense is as follows:

	2014	2013
	USD	USD
Profit before income tax	**3,619,928**	3,596,727
Income tax @ 15%	**542,989**	539,509
Adjustment	**812**	(19,080)
Foreign tax credit	**(434,391)**	(431,607)
Income tax expense reported in the statement of comprehensive income	**109,410**	88,822

5. TAXATION (CONTINUED)

Deferred tax

Deferred tax relates to the following:

	Statement of financial position 2014	**Statement of comprehensive income 2014**	Statement of financial position 2013	Statement of comprehensive income 2013
	USD	**USD**	USD	USD
Accelerated depreciation for tax purposes	**(2,293,691)**	**(88,877)**	(2,382,568)	(109,012)
Tax losses	**1,911,091**	**198,287**	2,109,378	197,834
	(382,600)	**109,410**	(273,190)	88,822

Net deferred tax liability

Reconciliation of deferred tax liabilities net:

	2014	2013
	USD	USD
Balance at 1 January	**(273,190)**	(184,368)
Tax expense during the year	**(109,410)**	(88,822)
Balance at 31 December	**(382,600)**	(273,190)

6. FINANCE COSTS

	2014	2013
	USD	USD
Finance charges payable under finance lease	**2,535,037**	2,564,757
Interest on security deposits	**11,385**	16,068
	2,546,422	2,580,825

7. PROPERTY, PLANT AND EQUIPMENT

	Aircraft on lease	Aircraft accessories	Total
	USD	USD	USD
Cost			
At 01 January 2013	88,460,616	245,349	88,705,965
Adjustment	(636,003)	-	(636,003)
At 31 December 2013	87,824,613	245,349	88,069,962
Adjustment	27,073	-	27,073
At 31 December 2014	**87,851,686**	**245,349**	**88,097,035**
Depreciation			
At 01 January 2013	5,637,047	16,244	5,653,291
Charge for the year	2,986,694	11,058	2,997,752
At 31 December 2013	8,623,741	27,302	8,651,043
Charge for the year	2,978,570	11,063	2,989,633
At 31 December 2014	**11,602,311**	**38,365**	**11,640,676**
Carrying amounts			
At 31 December 2014	**76,249,375**	**206,984**	**76,456,359**
At 31 December 2013	79,200,872	218,047	79,418,919

Finance leases

The carrying value of aircraft held under finance lease at 31 December 2014 is USD **76,249,375** (2013: USD 79,200,872). Adjustment relates to refund from Rolls Royce on engine in 2013 & 2014.

Adjustment relates to refund on engine following operating Lessor Engine Restoration Agreement with Rolls Royce Total Care Services Limited.

The obligations of the finance lease are secured by a mortgage over the aircraft.

8. OTHER RECEIVABLES

	2014	2013
	USD	USD
Lease incentives	**174,077**	202,554
Security deposit	**2,074,000**	2,405,368
	2,248,077	2,607,922

Terms and conditions:

Lease incentives are amortised over the term of the operating lease (10 years).

On the day the aircraft is returned to lessor and all secured obligations which are due and payable have been satisfied, the security deposit shall be returned to lessee with any unpaid accrued interest.

9. CASH AT BANK

	2014 USD	2013 USD
Cash at bank	**2,814,609**	2,668,983

The cash at bank does not earn any interest.

10. STATED CAPITAL

Issued share capital	2014 USD	2013 USD
One ordinary shares of USD 1	**1**	1

11. INTEREST BEARING LOANS AND BORROWINGS

	Interest rate	Final Maturity	2014 USD	2013 USD
Non-current				
Obligations under finance lease	3.79%	2023	**45,696,754**	51,075,609
Loan from related party	-	After 31 December 2015	**9,517,970**	12,480,907
			55,214,724	63,556,516
Current				
Obligations under finance lease	3.79%		**5,378,854**	5,179,863
			60,593,578	68,736,379

Loan from related party is unsecured, interest free and is not repayable within one year.

12. OTHER PAYABLES

	2014 USD	2013 USD
Non-current		
Security deposits	**2,074,193**	2,061,651
Maintenance payment deposits	**4,938,682**	3,568,679
	7,012,875	5,630,330
Current		
Lease rentals received in advance	**200,213**	203,924
Other accruals	**13,685**	24,215
Interest accrued	**352,064**	371,168
	565,962	599,307
Total	**7,578,837**	6,229,637

12. OTHER PAYABLES (CONTINUED)

Terms and conditions:

- Security deposits represent cash received from the lessee that is held on deposit until lease expiration.
- The lessee is responsible for performing all maintenance and makes monthly deposit payments to the Company for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft. These monthly maintenance payments are recorded as maintenance payment deposits. At the time of the overhaul, the lessee is reimbursed for costs from the accrued maintenance deposits.
- Other accruals are non-interest bearing and repayable on demand within a year.

13. COMMITMENTS AND CONTINGENCIES

Finance lease (as a lessee)

The Company has finance lease for its aircraft. The lease has a bargain purchase option and escalation clauses. Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	2014		2013	
	Minimum payments	**Present value of payments**	Minimum payments	Present value of payments
	USD	**USD**	USD	USD
➢ Within one year	**7,642,863**	**5,378,853**	7,581,330	5,179,863
➢ 1 year but less than 5 years	**30,501,220**	**23,662,695**	30,325,319	22,787,290
➢ 5 years	**24,690,492**	**22,034,060**	32,220,651	28,288,318
Total minimum lease payments	**62,834,575**	**51,075,608**	70,127,300	56,255,471
Less finance charges	**(11,758,967)**	**-**	(13,871,829)	-
Present value of minimum lease payments	**51,075,608**	**51,075,608**	56,255,471	56,255,471

Operating lease (as a lessor)

Future minimum rentals receivable under non-cancellable operating lease are as follows:

As lessor

	2014	2013
	USD	USD
Less than one year	**9,272,827**	9,272,827
Between one and five years	**37,091,309**	37,091,309
More than five years	**10,045,563**	19,318.390
	56,409,699	65,682.526

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating lease (continued)

The Company leases the aircraft under an operating lease to South African Airways. The lease typically runs for a period of 10 years. During the year ended 31 December 2014, an amount of **USD 9,276,538** (2013: USD 9,276,538) was recognised as income in profit or loss in respect of operating lease income.

14. RELATED PARTY DISCLOSURES

The following are related party transactions and balances at year-end.

Related Party	**Nature of transactions**	**2014**	2013
		USD	USD
Transactions during the period			
Ultimate holding company	Non-interest bearing loan	**(2,962,938)**	(2,510,699)
Affiliate	Expenses paid on behalf of the Company	-	(907,801)
Balance outstanding at 31 December:			
Ultimate holding company	Non-interest bearing loan	**(9,517,970)**	(12,480,907)

15. FINANCIAL RISK MANAGEMENT

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
2014	**USD**	**USD**	**USD**
Financial assets not measured at fair value			
Other receivables	**2,074,000**	-	**2,074,000**
Cash at bank	**2,814,609**	-	**2,814,609**
	4,888,609	-	**4,888,609**
Financial liabilities not measured at fair value			
Loans and borrowings	-	**60,593,578**	**60,593,578**
Other payables	-	**7,578,837**	**7,578,837**
	-	**68,172,415**	**68,172,415**
2013			
Financial assets not measured at fair value			
Other receivables	2,405,368	-	2,405,368
Cash at bank	2,668,983	-	2,668,983
	5,074,351	-	5,074,351
Financial liabilities not measured at fair value			
Loans and borrowings	-	68,736,379	68,736,379
Other payables	-	6,229,637	6,229,637
	-	74,966,016	74,966,016

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from rental income.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014	2013
	USD	USD
Cash and cash equivalents	**2,814,609**	2,668,983
Other receivables	**2,074,000**	2,405,368
	4,888,609	5,074,351

Cash at bank is maintained with a reputable financial institution.
Other receivables exclude lease incentives.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. The Company also pays out its obligations from finance received from its holding company.

The following are the undiscounted contractual maturities of financial liabilities:

Year ended 31 December 2014	**Carrying amounts**	**Contractual obligations**			
		Due within 1 year	**Due Between 1 to 5 years**	**Greater than 5 years**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**
Liabilities					
Other payables	**7,578,837**	**565,962**	**-**	**7,012,875**	**7,578,837**
Loan from related party	**9,517,970**	**-**	**9,517,970**	**-**	**9,517,970**
Interest bearing loan and borrowings	**51,075,609**	**7,642,863**	**30,501,220**	**24,690,492**	**62,834,575**
Total liabilities	**68,172,416**	**8,208,825**	**40,019,190**	**31,703,367**	**79,931,382**

Year ended 31 December 2013	Carrying amounts	Contractual obligations			
		Due within 1 year	Due Between 1 to 5 years	Greater than 5 years	Total
	USD	USD	USD	USD	USD
Liabilities					
Other payables	6,229,637	599,307	-	5,630,330	6,229,637
Loan from related party	12,480,907	-	12,480,907	-	12,480,907
Interest bearing loan and borrowings	56,255,472	7,581,330	37,906,648	24,639,321	70,127,299
Total liabilities	74,966,016	8,180,637	50,387,555	30,269,651	88,837,843

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

The Company is exposed to foreign currency risk primarily through balances arising in the normal course of business that are denominated in a currency other than the functional currency of the operations to which they relate. Since the Company trades mainly in USD, it is not subject to significant foreign currency risk, hence not required to disclose its currency profile. Similarly, the Company's financial positions as at the period end is not sensitive to foreign currency rate changes.

Interest rate risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The financial liabilities of the company include obligations under finance lease that bear interest at fixed rate.

Fair value

The Company's financial assets and liabilities consist of other receivables, cash at bank, other payables which are realised or settled within a short-term period, and non-current financial liabilities. The carrying amounts of these assets and liabilities approximate their fair values.

Capital risk management

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company's capital position is undertaken by the management team of the company. The management team ensures that the company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely fashion. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements such as foreign exchange and interest rate.

16. HOLDING COMPANY

Thunderbird 1 Leasing Limited is a wholly owned subsidiary of Aircastle Investment Holdings 3 Limited, a company incorporated in Bermuda.

17. EVENTS AFTER REPORTING DATE

There are no significant events noted after the reporting date which require adjustment or additional disclosure in the financial statement.

Appendix

THUNDERBIRD 1 LEASING LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	USD	USD
Operating lease income	**9,276,538**	9,276,538
Lease rental and related expenses	**(28,480)**	(28,500)
Gross profit	**9,248,058**	9,248,038
Administration and financial expenses		
Depreciation	**2,989,634**	2,997,752
Legal fees	**13,981**	4,038
Professional fees	**8,779**	20,026
Insurance	**18,393**	10,813
Audit fees	**6,325**	8,625
Accounting fees	**9,364**	9,008
Director fees	**5,200**	5,200
Bank charges	**10,655**	11,119
Secretarial fees	**2,600**	2,600
License fees	**1,750**	875
Telephone & faxes	**150**	140
Registrar of companies annual fees	**290**	290
General expenses	**6,932**	-
Repairs and maintenance	**7,662**	-
	3,081,715	3,070,486
Profit from operations	**6,166,343**	6,177,552
Finance cost	**(2,546,422)**	(2,580,825)
Profit before taxation	**3,619,921**	3,596,727